

Presentation of second quarter and first half 2021

31 August 2021

Highlights – We're back!

- 1 Fully reconstructed balance sheet with close to zero net interest-bearing debt, NOK 7.5 bn in cash & equivalents, and a rightsized business
- 2 Winning back customers through our well-known brand, attractive prices and reliable service
- 3 Q2-21 financially as expected; focus on low cash burn
- 4 An even stronger environmental focus staying committed to long-term 45 % reduction target
- 5 Strong momentum into the peak summer season and beyond
- 6 Continue with careful ramp-up closely following demand enabled by fleet flexibility through the winter
- 7 Planning for a successful 2022 with proven, profitable routes and an expected 60-70 aircraft in operation as demand expected to recover

A successful reconstruction

- Cut total debt, liabilities and commitments in excess of NOK 140 bn
- Aircraft fleet reduced by more than 2/3 and aircraft orders of 185 aircraft cancelled
- Long Haul operations using the 787 Dreamliner terminated
- Focus on Nordics and Nordic-originating flights with historic profitability
- Workforce unfortunately reduced by more than 6,000 employees
- Raised NOK 6 bn in equity and equity-like instruments, resulting in a cash position of NOK 7.5 bn
- Net interest-bearing debt of NOK 0.5 bn
- Power-by-the-hour until 31.3.2022, giving flexibility in cash, fleet and personnel management in a still uncertain Covid environment
- Reduced aircraft ownership costs on existing fleet by approximately 35 %



Rightsized the operation to the reconstructed company



Retain cost-efficient operating model and cost advantage vs. closest peers

Continue to deliver on our proven customer experience

Delivering on **the key choice drivers** is our top priority

Affordable fares

Price leader in Nordics

Recognized brand

High top-of-mind awareness

Reliable & friendly service

Award-winning¹

Broad network

>250 Nordic-based routes on sale

Strong loyalty drivers in place which we will continue to enhance

A loyalty program for all

>4 million Reward members in the Nordics

Strong digital presence

>75% of sales in own web & app

Modern in-flight experience

E.g. free Wi-Fi on all aircraft

Serious about sustainability

Committed to 45% reduction target



1: Europe's Leading Low-Cost Airline 2020, World Travel Awards

Financial results Q2 and 1H 2021

Profit and loss as expected – Reduced operating costs before one-offs

| <i>NOK million</i> | Q2 2021 | H1 2021 |
|---|---------------|---------------|
| Passenger revenue | 236 | 363 |
| Ancillary passenger revenue | 66 | 110 |
| Other revenue | 34 | 118 |
| Total operating revenue | 335 | 591 |
| Personnel expenses | 611 | 919 |
| Aviation fuel | 79 | 142 |
| Airport and ATC charges | 74 | 189 |
| Handling charges | 88 | 192 |
| Technical maintenance expenses | 144 | 390 |
| Other operating expenses | 348 | 620 |
| EBITDAR excl other losses/(gains) | -1 008 | -1 862 |
| Other losses/(gains) | -470 | -210 |
| EBITDAR | -538 | -1 651 |
| Aircraft lease, depreciation and amortization | 228 | 576 |
| Operating profit (EBIT) | -766 | -2 228 |
| Net financial items | 3 545 | 3 818 |
| Profit (loss) before tax (EBT) | 2 779 | 1 590 |
| Income tax expense (income) | - | - |
| Net profit (loss) | 2 779 | 1 590 |

→ Personnel expenses include approximately NOK 300 million in one-offs (mainly due to downsizing activities – severance pay)

→ Other operating expenses impacted by one-off costs related to the financial restructuring of approximately NOK 130 million

→ Net financial items positively impacted by NOK 3.8 billion in restructuring effects

A strong balance sheet – to be further strengthened with debt conversion in Q3

| <i>NOK million</i> | 30 JUNE 2021 | 30 JUNE 2020 |
|--------------------------------------|-----------------|-----------------|
| Intangible assets | 2 084 | 2 230 |
| Tangible fixed assets | 5 394 | 68 274 |
| Fixed asset investments | 87 | 1 038 |
| Total non-current assets | 7 566 | 71 542 |
| Assets included in disposal group | 0 | 268 |
| Inventory | 63 | 155 |
| Receivables | 2 529 | 7 048 |
| Cash and cash equivalents | 7 475 | 4 975 |
| Total current assets | 10 067 | 12 447 |
| ASSETS | 17 632 | 83 989 |
| Equity | 1 533 | 12 251 |
| Non-current debt | 8 844 | 46 555 |
| Other non-current liabilities | 1 474 | 4 818 |
| Total non-current liabilities | 10 318 | 51 373 |
| Air traffic settlement liabilities | 1 122 | 2 669 |
| Current debt | 360 | 6 107 |
| Other current liabilities | 4 300 | 11 589 |
| Total current liabilities | 5 781 | 20 365 |
| Liabilities | 16 099 | 71 738 |
| EQUITY AND LIABILITIES | 17 632 | 83 989 |

→ Calculation of net interest-bearing debt:

| | (NOK bn) |
|---------------------------------|--------------|
| Aircraft financing | 4.726 |
| NAS13 | 0.700 |
| Other IB debt | 0.123 |
| Zero coupon retained claim bond | 2.409 |
| NIBD*: | 0.483 |

**excl. NOK 1.245 billion dividend claims to be converted in Q3 2021*

→ Equity ratio 8.7% (15.8% assuming NOK 1.245 billion dividend claims to be converted in Q3 2021)

Cash flow –

A strong cost control with low cash-burn from operations in 1H

| <i>NOK million</i> | H1 2021 | H1 2020 |
|---|---------|---------|
| Net cash flows from operating activities | -421 | 609 |
| Purchases, proceeds and prepayment of tangible assets | 0 | 2 774 |
| Other investing activities | -5 | -13 |
| Net cash flows from investing activities | -5 | 2 762 |
| Loan proceeds | - | 3 291 |
| Principal repayments | -351 | -4 663 |
| Financing costs paid | -5 | -382 |
| Paid dividend to creditors | -241 | - |
| Proceeds from issuing new shares and perpetual bond | 5 863 | 328 |
| Net cash flows from financing activities | 5 265 | -1 426 |
| Foreign exchange effect on cash | -31 | -65 |
| Net change in cash and cash equivalents | 4 808 | 1 880 |
| Cash and cash equivalents at beginning of period | 2 667 | 3 096 |
| Cash and cash equivalents at end of period | 7 475 | 4 975 |

→ Bonds: Repaid NAS09 NOK 250 million and NOK 50 million related to NAS13

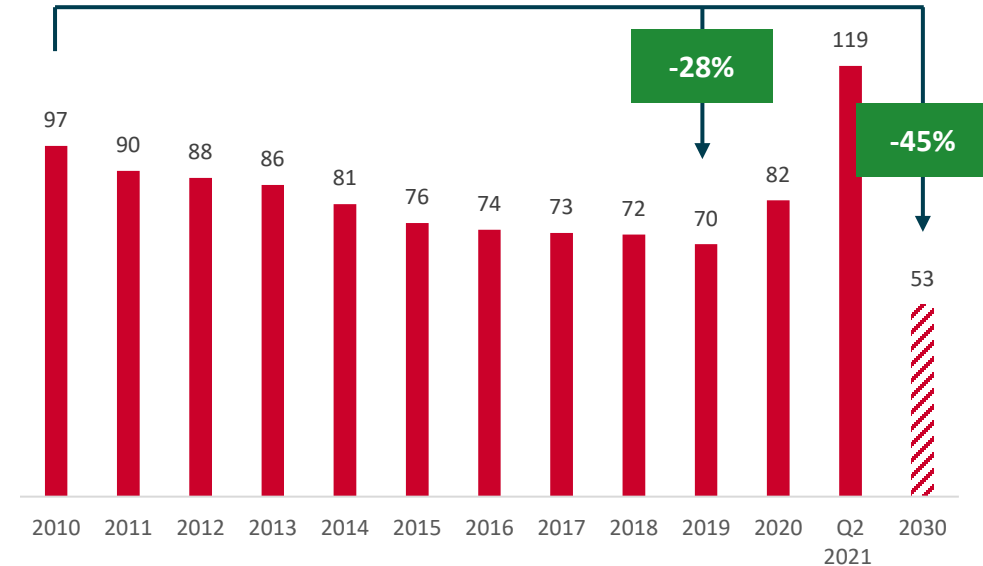
→ A solid NOK 7.5 bn in cash at the end of Q2

A strong environmental focus

We remain committed to reducing our Co2-emissions by 45 percent by 2030

| KPI targets | | as measured by |
|-------------|-----------------------------|--|
| A | Carbon efficiency | → A 45% reduction in carbon emissions per passenger kilometer by 2030 from a 2010 baseline |
| B | Waste resource optimization | → A 100% reduction of non-recyclable plastics by 2023 → A 30% reduction and 100% recycling of single-use plastics by 2023 |
| C | Accountability | → Integration of climate risk and environmental factors into corporate governance, risk management and annual reporting |

Grams Co2 per revenue passenger kilometer (RPK)



Source: International Panel on Climate Change, 2018

Creating a sustainable future, the low-cost way

**SUSTAINABLE
AVIATION FUELS**
7-15 gCo2/RPK

FLEET RENEWAL
0-9 gCo2/RPK

**OPERATIONAL
EFFICIENCY**
5 gCo2/RPK

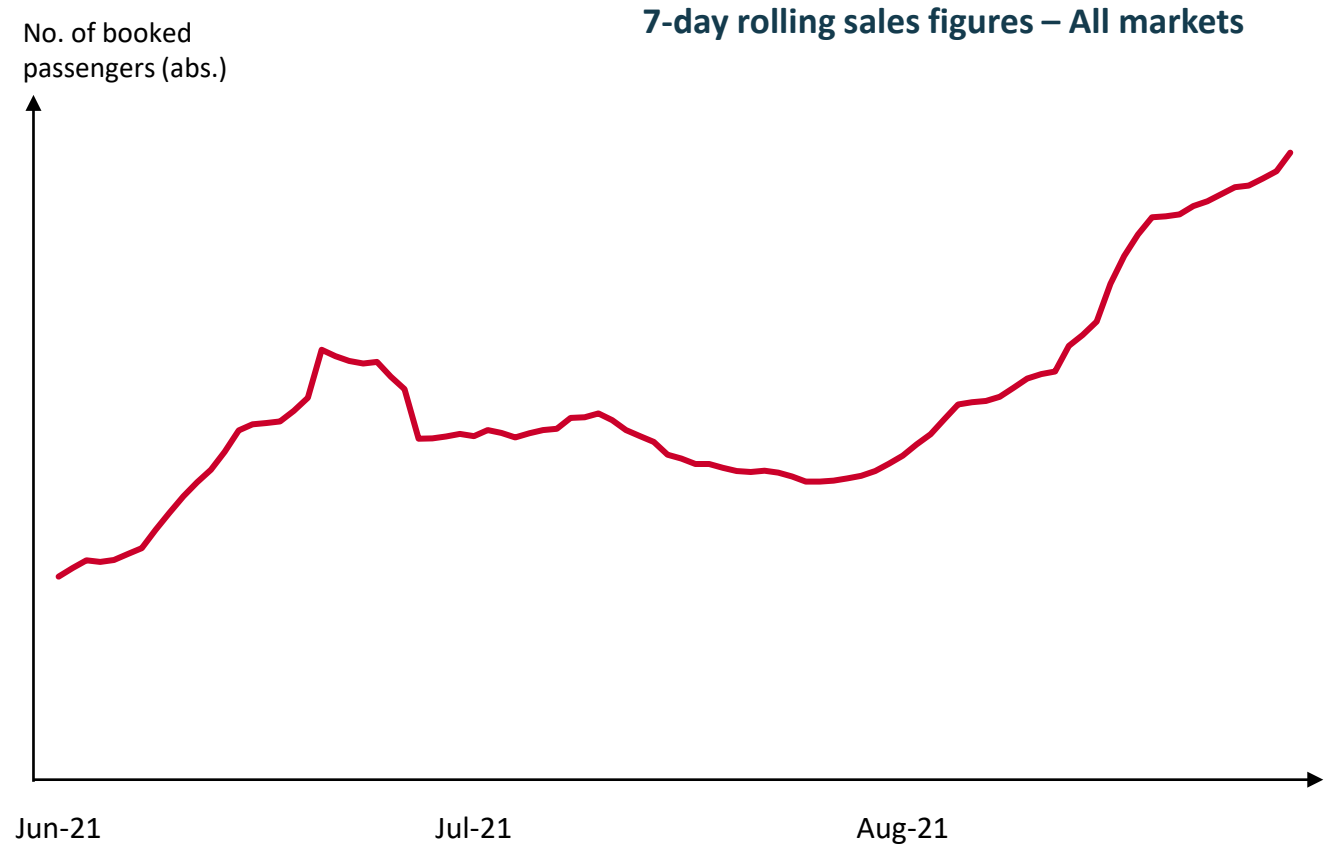


Numbers in italics refer to the potential each action has for improving our grams of Co2 per RPK in the period 2022-2030.

The way forward

Load factor stabilizing at higher levels with strong sales momentum

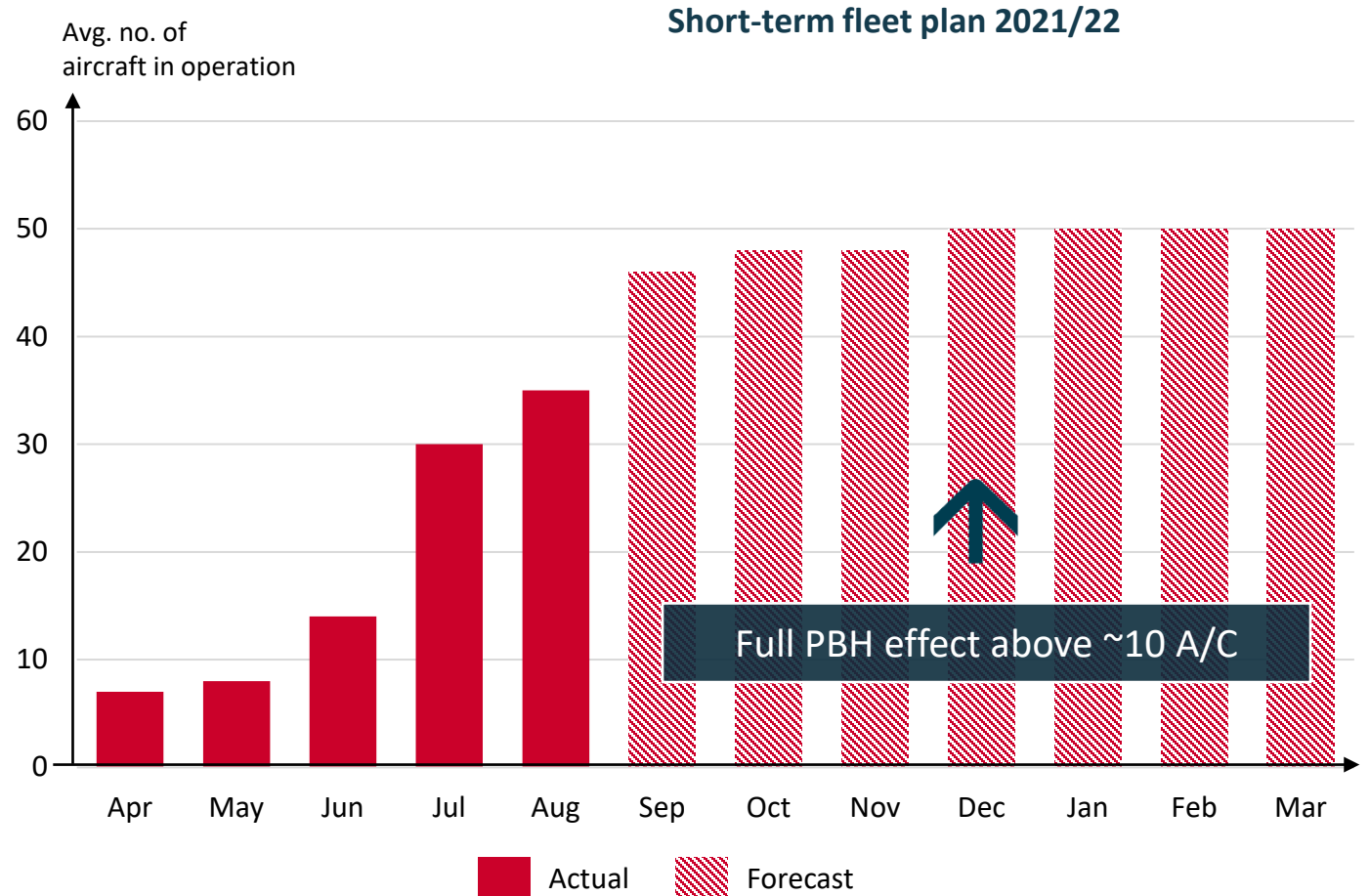
- Production in July increased by over 250 % vs. June (measured in ASKs), and still maintained load factor of 74.4 %
 - August delivering around 70 %
- Encouraging forward sales momentum in all markets, as Nordic countries reach high vaccination rates and easing of restrictions within EU/EEA
- Booking curve remains shorter than pre-pandemic, with growing uptick in later travel months
- Currently projecting close to neutral operational cash burn for the current quarter



Company data as of 29 August 2021

To continue with careful ramp-up closely following demand enabled by fleet flexibility through the winter

- Expect to have the full fleet in operation by end-2021
- The PBH-arrangement through the winter is based on airborne hours meaning no additional cost for low utilization or parked aircraft
- Continued low operational cash burn through remaining 2021 suggest strong cash position by year-end and end-Q1-22
- Norwegian will be strongly positioned for 2022 market recovery



Planning for a successful 2022 with proven, profitable routes and an expected 60-70 aircraft in operation as demand recovers

- Launched attractive summer program 2022 for sale with immediate positive response
- Currently evaluating the asset market with regards to aircraft availability
 - Subject to favorable terms, intend to grow the fleet to 60-70 aircraft in 2022
- Strong cash position combined with strict cash-and cost control gives headroom for near-term investments, improved terms from acquirers and to optimize operations to deliver profitability in 2022
- Initiated broad internal program to drive additional cost-efficiencies and revenue growth in 2022 and onwards
 - Focus on seasonality, crew & operational efficiency and ancillary revenue



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